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BARNSDALL CORPORATION


WITH

GUARANTY TRUST COMPANY OF NEW YORK,
AS TRUSTEE

Trust Agreement

Dated, January 1, 1921

PROVIDING FOR
\$15,000,000 SINKING FUND CONVERTIBLE GOLD BONDS



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Agreement, dated January 1, 1921, between the BARNSDALL CORPORATION, a corporation organized and existing under the laws of the State of Delaware (hereinafter referred to as the "Company"), party of the first part, and the GUARANTY TRUST COMPANY OF NEW YORK, a corporation organized and existing under the laws of the State of New York (hereinafter referred to as the "Trustee"), party of the second part.

WHEREAS, the Company desires to provide funds for its corporate purposes and, to that end, has duly determined to issue its Sinking Fund Convertible Gold Bonds (hereinafter referred to as the "Bonds"), of an aggregate principal amount not to exceed Fifteen Million Dollars, to mature on January 1, 1931, to be issued in one or more series, from time to time, commencing with Series A, the Bonds of each series to be in coupon form with interest coupons attached (hereinafter referred to as "Coupon Bonds"), and also, at the option of the Company, in fully registered form, without interest coupons (hereinafter referred to as "Registered Bonds"), to bear interest at such rate as to each particular series as may be determined by the Board of Directors of the Company at the time of authorizing the original issue of Bonds of such series, payable semi-annually on January 1 and July 1 in each year, as to each series, the principal thereof to be convertible, at the option of the respective holders, prior to redemption or maturity, into shares of the Company's Class B common capital stock, and all of the said Bonds to be signed in the Company's name by its President or a Vice-President, impressed with its corporate seal, attested by its Secretary or an Assistant Secretary, to be authenticated by the certificate of the Trustee indorsed thereon, and the Coupon Bonds to have

189457 2. November 1921 and 1922

AND WHEREAS, The Bonds of Series A, the interest coupons to be attached to the Coupon Bonds of such series, and the Trustees's certificate to be indorsed on all the Bonds, of whatever series, are to be substantially in the forms following, respectively:

UNITED STATES OF AMERICA

No.	SERIES A	\$
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BARNSDALL CORPORATION

SINKING FUND CONVERTIBLE GOLD BOND

(Eight Per Cent.)

FOR VALUE RECEIVED, the BARNSDALL CORPORATION, a corporation organized and existing under the laws of the State of Delaware (hereinafter referred to as the "Company"), hereby promises to pay to Bearer, or, if this Bond be registered as to principal, to the registered holder hereof, the principal sum of DOLLARS, on January 1, 1931, and to pay interest thereon from the date hereof at the rate of eight per cent. per annum, semi-annually, on January 1 and July 1 in each year. Until the maturity of this Bond, such interest shall be paid only upon presentation and surrender of the attached interest coupons as they severally mature.

Both principal and interest of this Bond are payable at the office of Lee, Higginson & Company, in the Borough of Manhattan, City and State of New York, or, at the option of the holder, at the office of the said Lee, Higginson & Company, either in the City of Boston, Massachusetts, or in the City of Chicago, Illinois, in gold coin of the United States of America of or equal to the standard of weight and fineness existing January 1, 1921, without deduction for any taxes, assessments or other governmental charges which the Company, the said

Lee, Higginson & Company or the Trustee hereinafter named may be permitted or required to pay thereon or to retain or deduct therefrom under any present or future law of the United States of America, or of any state, county, municipality or other political subdivision thereof, except inheritance taxes and so much of any federal income taxes in respect to income derived from such interest as shall be in excess of two per cent. thereof. The Company will, in each year, refund and repay to the holder of this Bond the amount of any lawful tax thereon paid by him in and for such year to the Commonwealth of Pennsylvania, not exceeding $\frac{4}{10}$ ths of one per cent. of the principal amount hereof, upon presentation to the Company of receipts, or other evidence satisfactory to it, of the payment of such tax within four months after the payment thereof.

This is one of a duly authorized issue of Bonds of the Company, of not exceeding the aggregate principal amount of Fifteen Million Dollars, known as its Sinking Fund Convertible Gold Bonds, in both coupon form with interest coupons attached and fully registered form without interest coupons, all issued and to be issued in series, from time to time, under a certain Trust Agreement, dated January 1, 1921, executed by the Company to the Guaranty Trust Company of New York, as Trustee, to which Trust Agreement reference is hereby made for the terms thereof and a statement of the rights and obligations of the Company, the Trustee and the respective holders of the said Bonds thereunder.

In the event of default by the Company as set forth in the said Trust Agreement, the principal of all the Bonds issued and outstanding thereunder may be declared due and payable before maturity in the manner and with the effect therein provided.

This Bond may be redeemed at the option of the Company, at any time prior to maturity, upon at least thirty days' prior published notice, at $107\frac{1}{2}$ per cent. of the principal amount hereof and accrued interest, if redeemed before January 1, 1924; at 105 per cent., and accrued interest, if redeemed on or after January 1, 1924, and

before January 1, 1927; at 102½ per cent., and accrued interest, if redeemed on or after January 1, 1927, and before January 1, 1930, and at 101 per cent., and accrued interest, if redeemed on or after January 1, 1930, all as provided in the said Trust Agreement. This Bond is entitled to the benefits of the Sinking Fund provided for in the said Trust Agreement, and may likewise be redeemed through the operation thereof.

The principal of this Bond is convertible, at the option of the holder, prior to maturity or redemption, into shares, of the par value of Twenty-five Dollars each, of the fully paid Class B common capital stock of the Company, as the same shall be constituted at the time of such conversion, at the rate of one share of such stock for each Forty Dollars, principal amount hereof, with a cash adjustment of interest, dividends and any balance of principal not evenly convertible at the said rate into whole shares of such stock, all as provided in the said Trust Agreement. If called for redemption, the principal of this Bond may nevertheless be so converted into stock, if this Bond is presented for that purpose at least ten days before the redemption date.

This Bond shall pass by delivery until registered as to principal in the owner's name at the principal office of the Trustee, in the Borough of Manhattan, City and State of New York, such registration being noted hereon. After such registration, no further transfer hereof shall be valid unless made by the registered holder in person or by duly authorized attorney and similarly noted hereon; but this Bond may be discharged from registry by being in like manner transferred to bearer, and thereupon transferability by delivery shall be restored. This Bond shall continue to be subject to successive registrations and transfers to bearer, at the option of the holder; but no such registration shall affect the negotiability of the attached interest coupons, which shall continue to be payable to bearer and transferable by delivery merely.

The holder of any Coupon Bond or Bonds of this series, of an aggregate principal amount of \$1000 or some multiple thereof, may, at his option, surrender the

same with all unmatured interest coupons attached, in exchange for a Registered Bond or Bonds of this series of a like aggregate principal amount, without interest coupons, in the manner and upon payment of the charges provided in the said Trust Agreement. In like manner, any such Registered Bond may in turn be exchanged for a Coupon Bond or Bonds of this series of a like aggregate principal amount, with all unmatured interest coupons attached.

No recourse shall be had for the payment of any part of either principal or interest of this Bond, or for any claim based hereon or thereon, or otherwise in any manner in respect hereof or in respect of the said Trust Agreement, to or against any incorporator, stockholder, officer or director of the Company, past, present or future, by virtue of any statute or provision or rule of law, or by the enforcement of any assessment or penalty, or in any manner.

This Bond shall not be valid for any purpose until authenticated by the execution by the Trustee of the certificate endorsed hereon.

IN WITNESS WHEREOF, the Company has caused this Bond to be signed in its corporate name by its President or a Vice-President, and its corporate seal to be hereunto affixed, attested by its Secretary or an Assistant Secretary, and the attached interest coupons to be executed with the facsimile signature of its Treasurer, this first day of January, 1921.

BARNSDALL CORPORATION,

By

President

Attest:

Secretary

(FORM OF INTEREST COUPON OF BONDS OF SERIES A)

No.

\$.....

On the first day of _____, 19____, unless the Bond herein mentioned shall have been called for pre-

vious redemption, Barnsdall Corporation will pay to Bearer, at the office of Lee, Higginson & Company, at the Bearer's option, either in the Borough of Manhattan, City and State of New York, or in the City of Boston, Massachusetts, or in the City of Chicago, Illinois,

Dollars in United States gold coin, without deduction for taxes, except inheritance taxes and so much of any federal income taxes as may exceed 2% of the face value hereof, being six months' interest then due on its Sinking Fund Convertible Gold Bond, Series A, No.....

Treasurer

(FORM OF REGISTERED BOND OF SERIES A)

UNITED STATES OF AMERICA

No.

SERIES A

\$

BARNSDALL CORPORATION

SINKING FUND CONVERTIBLE GOLD BOND

(Eight Per Cent.)

FOR VALUE RECEIVED, the BARNSDALL CORPORATION, a corporation organized and existing under the laws of the State of Delaware (hereinafter referred to as the "Company"), hereby promises to pay to

or registered assigns, the principal sum of
DOLLARS, on January 1, 1931, and
to pay interest thereon from ()
at the rate of eight per cent. per annum, semi-annually,
on January 1 and July 1 in each year.

Both principal and interest of this Bond are payable at the office of Lee, Higginson & Company, in the Borough of Manhattan, City and State of New York, or, at the option of the holder, at the office of the said Lee, Higginson & Company, either in the City of Boston, Massachusetts, or in the City of Chicago, Illinois, in gold coin of the United States of America, of or equal to the standard of weight and fineness existing January 1, 1921, without deduction for any taxes, assessments or other

governmental charges which the Company, the said Lee, Higginson & Company or the Trustee hereinafter named may be permitted or required to pay thereon or to retain or deduct therefrom under any present or future law of the United States of America, or of any state, county, municipality or other political subdivision thereof, except inheritance taxes and so much of any federal income taxes in respect to income derived from such interest as shall be in excess of two per cent. thereof. The Company will, in each year, refund and repay to the registered owner of this Bond the amount of any lawful tax thereon paid by him in and for such year to the Commonwealth of Pennsylvania, not exceeding $\frac{4}{10}$ ths of one per cent. of the principal amount hereof, upon presentation to the Company of receipts, or other evidence satisfactory to it, of the payment of such tax within four months after the payment thereof.

This is one of a duly authorized issue of Bonds of the Company, of not exceeding the aggregate principal amount of Fifteen Million Dollars, known as its Sinking Fund Convertible Gold Bonds, in both coupon form with interest coupons attached and fully registered form without interest coupons, all issued and to be issued in series, from time to time, under a certain Trust Agreement, dated January 1, 1921, executed by the Company to the Guaranty Trust Company of New York, as Trustee, to which Trust Agreement reference is hereby made for the terms thereof and a statement of the rights and obligations of the Company, the Trustee and the respective holders of the said Bonds thereunder.

In the event of default by the Company as set forth in the said Trust Agreement, the principal of all the Bonds issued and outstanding thereunder may be declared due and payable before maturity in the manner and with the effect therein provided.

This Bond may be redeemed, in whole or in part, at the option of the Company, at any time prior to maturity, upon at least thirty days' prior published notice, at $107\frac{1}{2}$ per cent. of so much of the principal amount hereof as is so redeemed and accrued interest, if redeemed before January 1, 1924; at 105 per cent., and accrued interest,

if redeemed on or after January 1, 1924, and before January 1, 1927; at 102½ per cent., and accrued interest, if redeemed on or after January 1, 1927, and before January 1, 1930, and at 101 per cent., and accrued interest, if redeemed on or after January 1, 1930, all as provided in the said Trust Agreement. This Bond is entitled to the benefits of the Sinking Fund provided for in the said Trust Agreement, and may likewise be redeemed through the operation thereof.

The principal of this Bond is convertible, at the option of the holder, prior to maturity or redemption, into shares, of the par value of Twenty-five Dollars each, of the fully paid Class B common capital stock of the Company, as the same shall be constituted at the time of such conversion, at the rate of one share of such stock for each Forty Dollars, principal amount hereof, with a cash adjustment of interest, dividends and any balance of principal not evenly convertible at the said rate into whole shares of such stock, all as provided in the said Trust Agreement. If called for redemption, the principal of this Bond may nevertheless be so converted into stock, if this Bond is presented for that purpose at least ten days before the redemption date.

This Bond is transferable by the registered owner in person or by duly authorized attorney at the principal office of the Trustee, in the Borough of Manhattan, City and State of New York, upon the surrender and cancellation of this Bond; and thereupon a new Registered Bond or Bonds of like aggregate principal amount, having endorsed thereon the same Coupon Bond serial numbers as are endorsed hereon, will be issued to the transferee in exchange herefor; or the registered owner of this Bond, at his option, may surrender the same for cancellation, in exchange for a Coupon Bond or Bonds of this series, of a like aggregate principal amount, bearing the serial numbers endorsed hereon, with all unmatured interest coupons attached, which Coupon Bond or Bonds may in turn be exchanged for another Registered Bond or Bonds of this series, all in the manner and upon payment, in each case, of the charges provided in the said Trust Agreement.

No recourse shall be had for the payment of any part of either principal or interest of this Bond, or for any claim based hereon or thereon, or otherwise in any manner in respect hereof or in respect of the said Trust Agreement, to or against any incorporator, stockholder, officer or director of the Company, past, present or future, by virtue of any statute or provision or rule of law, or by the enforcement of any assessment or penalty, or in any manner.

This Bond shall not be valid for any purpose until authenticated by the execution by the Trustee of the certificate endorsed hereon.

IN WITNESS WHEREOF, the Company has caused this Bond to be signed in its corporate name by its President or a Vice-President, and its corporate seal to be hereunto affixed, attested by its Secretary or an Assistant Secretary, this

BARNSDALL CORPORATION,
By

President

Attest:

Secretary

(FORM OF TRUSTEE'S CERTIFICATE)

This is one of the Bonds, of the series mentioned therein, described in the within mentioned Trust Agreement.

GUARANTY TRUST COMPANY OF NEW YORK,
By as Trustee,

AND WHEREAS, the Bonds of each series, other than Series A, and the interest coupons to be attached to the Coupon Bonds of any such series, are to be substantially in the forms above set forth, respectively, with such modifications thereof and additions thereto, authorized or permitted by this Agreement, as to any particular series,

as, at the time of authorizing the original issue of Bonds of such series, the Trustee and the Board of Directors of the Company may deem necessary or appropriate by reason of the terms under which the Bonds of such series are issued;

AND WHEREAS, all things necessary to make the Bonds, when duly authenticated by the Trustee and issued as in this Agreement provided, the valid, binding and legal obligations of the Company have been done and performed, and the execution and delivery of this Agreement and the issue of the Bonds as in this Agreement provided, have been in all respects duly authorized;

NOW, THEREFORE, THIS AGREEMENT WITNESSETH, that, in consideration of the premises and of the purchase and acceptance of the Bonds by those which shall hold the same, from time to time, THE PARTIES HERETO HEREBY COVENANT AND AGREE, for the equal benefit, security and protection of the legal holders of the Bonds, without preference of any of the Bonds over any of the others by reason of series, priority in the time of issue, sale or negotiation thereof, or otherwise for any cause whatever, as follows:

ARTICLE FIRST

DESIGNATION, AMOUNT, FORM, DENOMINATIONS, EXECUTION, AUTHENTICATION, REGISTRATION AND EXCHANGE OF BONDS

SECTION 1. The Bonds to be issued hereunder shall be designated as the Company's "Sinking Fund Convertible Gold Bonds", and the aggregate principal amount of all the Bonds which may be issued under this Agreement shall never, at any time, exceed the sum of Fifteen Million

Dollars, less the aggregate principal amount of any debenture bonds issued pursuant to the provisions of Section 29 hereof, from time to time outstanding.

SECTION 2. Bonds shall be issued in series, from time to time, in such amounts and upon such terms, authorized or permitted by this Agreement, as the Board of Directors of the Company shall determine at the time of authorizing the issue thereof. The Bonds of each series shall be designated by one or more distinguishing letters of the English alphabet; shall be substantially in the form hereinbefore recited, with such modifications thereof and additions thereto, as regards their interest rate, redemption price or prices, place or places of payment, tax provisions and conversion rate or rates, as may be appropriate or necessary by reason of the terms under which they are issued; shall mature on January 1, 1931; and shall bear interest at such rate, payable semi-annually on January 1 and July 1, in each year, and shall be payable, as to principal and as to interest, respectively, at such place or places in the United States of America as shall be determined by the Board of Directors of the Company at the time of the authorization of the original issue thereof.

SECTION 3. At the time of authorizing the original issue of Bonds of any series, the Board of Directors of the Company may direct that the Bonds of such series shall be issued either as Coupon Bonds in the denominations of \$100, \$500 and \$1000, or in any one or more of such denominations, or as both Coupon Bonds, in one or more of such denominations, and as Registered Bonds in the denomination of \$1000 or any multiple thereof; and the Company may also stipulate and agree, if it shall be lawful so to do, that the principal and interest of any such Bonds shall be payable without deduction for any

taxes, assessments or other governmental charges which the Company, or its paying agents, may be required or permitted to pay thereon, or to retain or deduct therefrom, under any present or future law, except as may be otherwise provided in such stipulation and agreement. The Company may also stipulate and agree, if it shall be lawful so to do, to refund and repay to the holders of such Bonds the amount of any designated state, county or municipal tax or taxes thereon, or on the interest derived therefrom, paid by such holders.

SECTION 4. Bonds of any particular series shall be identical, except in the respect that they may be of different denominations and in coupon or fully registered form, and except that Registered Bonds may be dated on and bear interest from different dates, and except also that, as between Bonds of different denominations, and as between Coupon Bonds and Registered Bonds, there may be such appropriate differences authorized or permitted by this Agreement, either expressly or by implication, as may be determined by the Board of Directors of the Company and approved by the Trustee at or before the authorization of the original issue of Bonds of such series.

SECTION 5. The Bonds shall be signed on behalf of the Company, in its corporate name, by its President or a Vice-President and impressed with its corporate seal, attested by its Secretary or Assistant Secretary. Bonds so executed may, from time to time, be delivered to the Trustee for authentication; and the Trustee shall authenticate and deliver the same in accordance with the provisions of Articles First and Third hereof, respectively, and not otherwise.

In case any of the officers of the Company who shall have signed or sealed any of the Bonds shall cease to be

such officers before the Bonds so signed or sealed shall have been actually authenticated or issued, such Bonds may nevertheless be adopted by the Company, and shall be authenticated by the Trustee and may be issued by the Company, as though the persons who had signed or sealed the same had not ceased to be such officers.

SECTION 6. The interest coupons to be attached to the Coupon Bonds shall be substantially in the form hereinbefore recited for Bonds of Series A, with such modifications thereof and additions thereto as may be necessary or appropriate by reason of the terms under which the respective Bonds are issued, and shall be executed with the facsimile signature of the present or any future Treasurer of the Company; and the Company may adopt and use for that purpose the facsimile signature of any such Treasurer, notwithstanding the fact that he may have ceased to be such Treasurer at the time when such Bonds shall be actually authenticated or issued.

SECTION 7. Only such Bonds as shall be authenticated by a certificate substantially in the form hereinbefore recited, executed by the Trustee, shall be entitled to any right or benefit under this Agreement. Such authentication by the Trustee upon any Bond shall be conclusive evidence that the Bond so authenticated has been duly issued hereunder and that the holder thereof is entitled to the benefits hereof. Before authenticating or delivering any Coupon Bond, all interest coupons attached thereto and then matured shall be detached and cancelled by the Trustee and delivered to the Company, upon its written request therefor.

SECTION 8. In each series, Coupon Bonds of the denomination of \$100 shall be numbered from C-1, con-

secutively upwards; Coupons Bonds of the denomination of \$500 shall be numbered from D-1, consecutively upwards, and Coupon Bonds of the denomination of \$1000 shall be numbered from M-1, consecutively upwards.

Coupon Bonds of each series shall bear such date as may be determined by the Board of Directors of the Company at the time of the authorization of the original issue of Bonds of such series, and shall bear interest from date.

SECTION 9. Coupon Bonds of any denomination shall be exchangeable, at the option of the holder, for a like aggregate principal amount of Coupon Bonds of any other denomination or denominations of the same series; and each Coupon Bond shall bear indorsed thereon such appropriate legend in reference to the privilege of such exchange as may be necessary or advisable, to comply with the rules of any stock exchange or to conform with usage in respect thereto. Whenever any Coupon Bonds of any denomination, of the same series, with all unmatured interest coupons attached, shall be surrendered at the principal office of the Trustee in the Borough of Manhattan, City and State of New York, for the purpose of exchange for Coupon Bonds of any other denomination or denominations of such series, the Company shall issue, and the Trustee shall authenticate and deliver in exchange for the Bonds so surrendered, a like aggregate principal amount of Coupon Bonds, with all unmatured interest coupons attached, of such other denomination or denominations of the same series as shall be requested by the holder so surrendering the Bonds for exchange.

SECTION 10. The holder of any Coupon Bond may have the ownership thereof registered at the principal office of the Trustee in the Borough of Manhattan, City and State of New York, and such registration noted on the Bond.

After such registration, no further transfer of such Bond shall be valid unless made by the registered holder in person or by duly authorized attorney and similarly noted on the Bond; but the same may be discharged from registry by being in like manner transferred to bearer, and thereupon transferability by delivery shall be restored. Coupon Bonds shall continue to be subject to successive registration and transfers to bearer, at the option of their respective holders; but no registration of any Coupon Bond shall affect the negotiability of the interest coupons pertaining thereto, which shall continue to be payable to bearer and transferable by delivery merely.

SECTION 11. Registered Bonds (when authorized to be issued in any particular series) may be issued in denominations of \$1000 or any multiple thereof, and shall be numbered with respect to each series from R-1, consecutively upwards. Every Registered Bond shall be dated as of the day of its issue and shall bear interest from the semi-annual interest date (January 1 or July 1, as the case may be) next preceding the date of issue, unless issued on an interest day, in which event it shall bear interest from the date of issue.

Whenever any Registered Bond shall be issued under any of the provisions of this Agreement, there shall be reserved unissued a Coupon Bond or Bonds of the same series, of the denomination of \$1000 each, of a like aggregate principal amount, and the serial numbers of the Coupon Bond or Bonds so reserved unissued shall be endorsed on such Registered Bond, in such appropriate manner as may be necessary or advisable, to comply with the rules of any stock exchange or to conform with usage in respect thereto.

SECTION 12. Registered Bonds shall be transferable by the registered owner thereof in person or by duly authorized attorney at the principal office of the Trustee in the Borough of Manhattan, City and State of New York; and, upon the surrender and cancellation thereof for that purpose, new Registered Bond or Bonds of the same series, of the same aggregate principal amount, and having endorsed thereon the same Coupon Bond serial numbers as were endorsed on the Registered Bond or Bonds so surrendered, will be issued to the transferee in exchange therefor.

SECTION 13. When Registered Bonds are authorized to be issued in any particular series, the holder of any Coupon Bond or Bonds of such series, of the aggregate principal amount of \$1000 or some multiple thereof, may, at his option, at any time, surrender the same, with all unmatured interest coupons attached, at the principal office of the Trustee in the Borough of Manhattan, City and State of New York, and receive in exchange therefor a Registered Bond or Bonds of such series, of a like aggregate principal amount; and whenever any such Coupon Bond or Bonds of the aggregate principal amount of \$1000, or some multiple thereof, with all unmatured interest coupons attached, shall be so surrendered for that purpose, the Company shall issue and the Trustee shall authenticate and deliver in exchange therefor, a Registered Bond or Bonds of such series, of the same aggregate principal amount.

SECTION 14. The registered owner of any Registered Bond or Bonds, may at his option at any time, surrender the same at the principal office of the Trustee in the Borough of Manhattan, City and State of New York, and receive in exchange therefor a Coupon Bond or Bonds of

the same series of a like aggregate principal amount; and whenever any Registered Bond shall be surrendered for that purpose, the Company shall issue and the Trustee shall authenticate and deliver in exchange for such Registered Bond, a Coupon Bond or Bonds of the denomination of \$1000 each, of the same series, bearing the Coupon Bond serial number or numbers endorsed upon the Registered Bond so surrendered and with interest coupons attached maturing on and after the next ensuing interest date.

SECTION 15. For any exchange of a Coupon Bond or Bonds of one denomination for a Coupon Bond or Bonds of another denomination, and for any exchange of Coupon Bonds for Registered Bonds or of Registered Bonds for Coupon Bonds, and for any transfer of Registered Bonds, the Company, at its option, may require the payment of a sum sufficient to reimburse it for any stamp tax or other governmental charge connected therewith and also a further sum, not exceeding Two Dollars for each new Bond issued upon such exchange or transfer. In case of any such exchange or transfer, the Trustee shall forthwith cancel the surrendered Bonds and interest coupons (if any), and shall deliver the same to the Company, upon its written request therefor.

SECTION 16. Until definitive Bonds of any series are prepared and ready for delivery, the Company may execute and thereupon the Trustee shall authenticate and deliver, in lieu of such definitive Bonds, one or more temporary Bonds, printed or typewritten, with or without interest coupons, of any denomination or denominations authorized for such series, or any multiple thereof, substantially of the tenor of the definitive Coupon Bonds of such series, except that such temporary Bonds need

not contain provisions for registration or exchange for Registered Bonds. Every such temporary Bond shall bear upon its face the words: "Temporary Bond: exchangeable for a like principal amount of definitive Bonds of the same series", and shall be authenticated by the Trustee in substantially the same manner, and with like effect, as the definitive Bonds. Any such temporary Bonds shall be exchangeable, from time to time, at the option of the respective holders, for other temporary Bonds of like aggregate principal amount. When definitive Bonds are prepared and ready for delivery, all or any of such temporary Bonds may be surrendered for exchange therefor, and, upon the cancellation thereof, the Trustee shall authenticate and deliver in exchange therefor an equal aggregate principal amount of definitive Bonds of the same series. The temporary Bonds, so surrendered and cancelled, shall be delivered to the Company, upon its written request therefor.

Until exchanged for definitive Bonds, as above provided, temporary Bonds shall in all respects be entitled to the benefits of this Agreement as Bonds issued and authenticated hereunder; and in the case of temporary Bonds without interest coupons, the payment of interest shall be noted thereon upon presentation thereof for that purpose.

SECTION 17. In case any definitive or temporary Bond issued under this Agreement shall become mutilated or be destroyed or lost, the Company in its discretion may issue and thereupon the Trustee shall authenticate and deliver a new Bond of the same series and of like denomination, in exchange and substitution for such mutilated Bond or in lieu of and substitution for such destroyed or lost Bond. In case of destruction or loss, the applicant for a substitute Bond shall furnish to the Company

and to the Trustee evidence to their satisfaction, in their discretion, of the destruction or loss of such Bond and of the ownership thereof, and also such security or indemnity as may be required by them. Upon the issue of any substitute Bond, the Company, at its option, may require the payment of a sum sufficient to reimburse it for any stamp tax or other governmental charge, or other expense, connected therewith, and also a further sum, not exceeding Two Dollars for each Bond so issued in substitution.

ARTICLE SECOND

SUPPLEMENTAL AGREEMENTS

SECTION 18. The Company and the Trustee may, from time to time and at any time, if by them deemed necessary or advisable, enter into such agreements supplemental hereto as shall not be inconsistent with the terms and provisions of this Agreement (which supplemental agreements shall thereafter form a part hereof), for one or more of the following purposes:

(a) To provide the terms of redemption of the Bonds of any particular series.

(b) To provide the terms, authorized hereby, upon which the principal of the Bonds of any particular series may be converted into Class B common capital stock of the Company.

(c) To evidence the succession of another corporation to the Company, or successive successions, and the assumption by any such successor corporation of the covenants and obligations of the Company under this Agreement.

(d) For any other purpose not inconsistent with the terms of this Agreement, or for the purpose of curing any ambiguity or defective provision contained herein or in any supplemental agreement.

SECTION 19. The terms and conditions contained in any supplemental agreement shall, if deemed necessary or advisable by the Trustee, be set forth in reasonable and customary manner in the Bonds of the particular series to which such supplemental agreement shall apply; and in case of the execution and delivery of any such supplemental agreement, express reference thereto shall be made in the text of the Bonds of any series issued thereafter, if deemed necessary or advisable by the Trustee.

ARTICLE THIRD

ISSUE OF BONDS

SECTION 20. Except as provided in Article First hereof, with respect to the exchange or substitution of Bonds on certain contingencies, all Bonds to be issued under this Agreement shall be executed by the Company and authenticated and delivered by the Trustee, from time to time, only as in this Article Third provided, in the amounts and subject to the restrictions and conditions herein specified, respectively.

SECTION 21. Upon the execution of this Agreement, the Company shall execute and deliver to the Trustee Eight Million Dollars, aggregate principal amount, of Bonds of Series A, bearing interest at the rate of eight per cent. per annum; and the Trustee shall thereupon authenticate the said Bonds and deliver the same to or upon the written order of the Company, signed by its President or a Vice-President.

Definitive Bonds of Series A may be issued both as Coupon Bonds and as Registered Bonds, and in any one or more of the denominations provided for in Article First hereof; and they and the interest coupons to be attached to the Coupon Bonds shall be substantially in the forms hereinbefore recited, respectively. Coupon Bonds of Series A shall be dated January 1, 1921, irrespective of the date of the actual execution and issue thereof.

The principal of Bonds of Series A shall be convertible, in the manner hereinafter provided in Article Fifth hereof, into shares of the Class B common capital stock of the Company, at the rate of one share of such stock for each Forty Dollars of principal so converted.

Bonds of Series A shall be redeemable, in the manner hereinafter provided in Article Sixth hereof, at 107½ per cent. of the principal amount thereof and accrued interest, if redeemed before January 1, 1924; at 105 per cent., and accrued interest, if redeemed on or after January 1, 1924, and before January 1, 1927; at 102½ per cent., and accrued interest, if redeemed on or after January 1, 1927, and before January 1, 1930; and at 101 per cent., and accrued interest, if redeemed on or after January 1, 1930.

SECTION 22. The remaining Bonds may be executed by the Company and authenticated and delivered by the Trustee, from time to time, only upon and subject to the following conditions and restrictions:

I. Bonds may be issued only for the purpose, either (a) of reimbursing the Company for actual and reasonable expenditures made by it for the purchase, construction or acquisition, after the date hereof, of permanent extensions, enlargements or additions of or to the property of the Company or of any controlled subsidiary company (as hereinafter defined) for use in the operation or

extension of the business of such company, or (b) of furnishing working capital for the business of the Company.

The term, "controlled subsidiary company", whenever used in this Agreement, shall mean any corporation, joint stock association or other organization in the nature of a corporation, whether incorporated or unincorporated, of which the Company, at the time, shall own or control, directly or indirectly, the majority of each class of the issued and outstanding capital stock, or shares, thereof, possessing full voting powers not dependent upon the happening of any default.

II. No Bonds may be authenticated or delivered by the Trustee under this Section 22, unless (a) the aggregate net income (as hereinafter defined) of the Company, for the period of twelve consecutive calendar months ending not more than ninety days prior to the date specified by the Company in its request therefor as the date on which it desires to have such Bonds delivered, shall be at least equal to three times the annual interest charges on the total aggregate funded indebtedness (as hereinafter defined) of the Company outstanding at the time of such request, and unless, also, (b) the aggregate net assets of the Company (as hereinafter defined), including the proceeds of the Bonds then proposed to be issued, shall be at least equal to three times the total aggregate funded indebtedness (as hereinafter defined) of the Company and its controlled subsidiary companies, including the said Bonds then proposed to be issued, and unless, also, (c) the aggregate amount of the current assets (as hereinafter defined) of the Company and its controlled subsidiary companies shall be at least equal to 125 per cent. of the aggregate amount of its and their current liabilities (as hereinafter defined).

The term "aggregate net income", as used in this Section 22, shall mean the balance of the total aggregate income of the Company and its controlled subsidiary companies, as determined by a consolidated income account, remaining after deducting from the gross income thereof all operating expenses, including taxes of every kind, rentals, insurance and reasonable and adequate expenditures or charges for current maintenance, repairs, depletion and depreciation. Any certificate as to net income furnished under any of the provisions of this Section 22, shall set forth in reasonable detail the gross earnings and all other income of the Company and each of its controlled subsidiary companies, respectively, and the operating expenses thereof, and shall state that such operating expenses include all charges and expenditures properly chargeable thereto, including taxes of every kind, rentals, insurance and reasonable and adequate expenditures and charges for current maintenance, repairs, depletion and depreciation.

The term, "aggregate funded indebtedness", as used in this Agreement, shall mean all the outstanding funded indebtedness of the Company, whether secured or unsecured, and all Bonds issued and outstanding hereunder or about to be issued hereunder, and all the outstanding funded indebtedness, whether secured or unsecured, of every controlled subsidiary company, except so much thereof as may be held by the Company or by any other controlled subsidiary company.

The term, "funded indebtedness", as used in this Section 22, shall include all indebtedness of any character, not incurred in the ordinary course of conducting business.

The term, "aggregate net assets", as used in this Agreement, shall mean the net current assets of the Company and its controlled subsidiary companies, as determined by a consolidated balance sheet, plus the fixed assets thereof, less any liabilities (other than capital stock, surplus and undivided profits) not included among the current liabilities thereof. For the purpose any computation of such aggregate net assets, the value of the fixed assets shall be based upon the book value thereof as of November 30, 1920, plus the actual cost or fair value (whichever is less) of any fixed assets acquired subsequently thereto.

The term, "net current assets", whenever used in this Agreement, shall mean the excess of the aggregate amount of the current assets of the Company and its controlled subsidiary companies, as determined by a consolidated balance sheet, over all its and their current liabilities.

The term "current assets", whenever used in this Agreement, shall include, (a) cash on hand or in bank and good and collectible notes, accounts and bills receivable, contracted in the ordinary course of business, if such notes, accounts and bills receivable are due within twelve months; (b) manufactured products, products in the process of manufacture and materials and supplies, such products, materials and supplies to be valued at actual cost, or at the market value thereof, whichever is lower, except oil above ground, which may be carried at market value; (c) insurance due to cover any liability for accident or other tort liability, when such liability has been reduced to judgment or has become otherwise liquidated in amount and is carried as a liability on the books of the Company or of any controlled subsidiary company, and (d) obligations of the United

States government and other marketable securities paying regular interest or dividends, valued at cost, or at their market value, whichever is lower, excluding bonds, stocks or other securities issued by the Company or by any controlled subsidiary company.

The term, "current liabilities", whenever used in this Agreement, shall include, (a) the principal amount of all notes, bonds, debentures and other evidences of indebtedness of the Company and of its controlled subsidiary companies, whether matured or unmatured, and whether such company is liable thereon as principal or surety, excepting only the principal amount of the Bonds outstanding under this Agreement and the principal amount of any debenture bonds issued pursuant to the provisions of Section 29 hereof, and excepting, also, the funded indebtedness of controlled subsidiary companies outstanding at the time of the execution of this Agreement, as set forth in Section 30 hereof; (b) all accounts payable of the Company and of its controlled subsidiary companies; (c) all overdue interest upon all obligations of the Company and of its controlled subsidiary companies, and accrued interest not yet due; (d) all dividends declared and unpaid; (e) liability for taxes, including the amount of all taxes which have become due and payable and an estimated amount accrued for taxes to become due, such estimated amount to be not less than an amount approved by an independent public accountant appointed with the approval of the firm of Lee, Higginson & Company, or its successors, and (f) such other liabilities, if any, as shall be considered to be properly deductible for the purpose of determining net current assets in the opinion of an independent public accountant ap-

pointed with the approval of the said firm of Lee, Higginson & Company, or its successors.

The foregoing definitions refer, in each case, to the consolidated accounts of the Company and all its controlled subsidiary companies, after eliminating all inter-company items, whether so expressed or not, except in cases where a contrary meaning is clearly intended.

III. There shall in each case be delivered to the Trustee, the following instruments:

(a) A copy of a Resolution or Resolutions of the Board of Directors of the Company, certified by its Secretary or an Assistant Secretary under its corporate seal, requesting the Trustee to authenticate and deliver, on the date therein set forth, a specified aggregate principal amount of Bonds, of such series, bearing such rate of interest, and having such other terms and provisions authorized hereby, or not inconsistent herewith, as shall be therein specified, for one or both of the purposes specified in subdivision I of this Section 22.

(b) Such supplemental agreement, if any, executed and delivered in accordance with the provisions of Article Second hereof, as the Trustee may deem necessary or desirable with respect to the series of Bonds specified in such Resolutions.

(c) Certificates, inscribed in the name of the Trustee, or its nominees, representing the aggregate number of shares of Class B common capital stock of the Company into which the principal of the Bonds then proposed to be issued shall be convertible, according to the rate of conversion applying to Bonds of such series, determined as hereinafter provided in Article Fifth hereof.

(d) A certificate signed by the President or a Vice-President, and the Treasurer or an Assistant Treasurer of the Company, verified by one of such officers, and also signed by a public accountant (who may be regularly employed by the Company), approved by the firm of Lee, Higginson & Company as a public accountant in good standing accustomed to the auditing of accounts of corporations engaged in a business similar to that of the Company, which certificate shall set forth the aggregate principal amount of debenture bonds of controlled subsidiary companies issued pursuant to the provisions of Section 29 hereof and at the time outstanding and a computation of the aggregate net income of the Company for the period of twelve consecutive calendar months ending not more than ninety days prior to the date specified in the said Resolutions as the date on which it is desired to have such Bonds delivered, and shall certify that such aggregate net income was at least equal to three times the annual interest charges on the total aggregate funded indebtedness of the Company and its controlled subsidiary companies outstanding at the time of the adoption of such Resolutions, including the said Bonds then proposed to be issued, and shall further certify that the aggregate net assets of the Company, including the proceeds of the Bonds then proposed to be issued, are at least equal to three times the total aggregate funded indebtedness of the Company and its controlled subsidiary companies, including the said Bonds then proposed to be issued, and that the aggregate amount of the current assets of the Company and its controlled subsidiary companies is at least equal to 125 per cent. of the aggregate amount of its and their current liabilities.

(e) In case Bonds are desired for the purpose of reimbursing the Company for expenditures made for the purchase, construction or acquisition of permanent extensions, enlargements or additions of or to the property of the Company or of any controlled subsidiary company, a certificate, similarly signed and verified, setting forth, in reasonable detail, the general description and location of such extensions, enlargements or additions, and the expenditures made therefor, respectively, and that such company is using or intends to use such property in the operation or extension of its business. Such certificate shall also certify (1) that the expenditures forming the subject thereof were made subsequently to January 1, 1921, and were not in excess of the actual cash cost and fair value of such property; (2) that such expenditures were properly chargeable to capital and were so charged; (3) that no portion of the expenditures so certified had been included in any certificate previously furnished to the Trustee under this Agreement, nor reimbursed out of any Bonds issued hereunder or the proceeds thereof, nor out of the proceeds of any stock, nor out of any bonds or moneys received by the Company or by any controlled subsidiary company under any provision of any other agreement, mortgage or indenture of any character, providing for or securing the issue of any funded obligations, nor out of the proceeds of any debenture bonds of any controlled subsidiary company, and (4) that no portion of such expenditures had been paid out of current assets (as hereinafter defined) which had theretofore been made the basis for the issue of Bonds hereunder for the purpose of furnishing working capital.

(f) In case Bonds are desired for the purpose of furnishing additional working capital for the busi-

ness of the Company, a certificate, similarly signed and verified, setting forth the aggregate amount of the net current assets of the Company as of January 1, 1921, and the aggregate amount of the net current assets of the Company as of the date of the certificate, and the excess, if any, of the latter over the former (which excess is hereinafter referred to as "addition to working capital"), and setting forth also a statement showing the aggregate principal amount of Bonds theretofore issued hereunder for the purpose of furnishing working capital.

IV. Upon the delivery to the Trustee of all the instruments provided for under the provisions of paragraphs (a), (b), (c), (d) and (e) of the foregoing subdivision III hereof, the Trustee shall authenticate and deliver to or upon the written order of the Company, signed by its President or a Vice-President, an aggregate principal amount of Bonds equal, as nearly as may be, to, but not exceeding, fifty per cent. of the amount of the expenditures so certified by the Company; and upon the delivery to the Trustee of all the instruments provided for under the provisions of paragraphs (a), (b), (c), (d) and (f) of the said subdivision III, the Trustee shall authenticate and deliver to or upon the written order of the Company, signed as aforesaid, an aggregate principal amount of Bonds equal, as nearly as may be, to, but not exceeding fifty per cent. of the amount, if any, whereby the addition to working capital, so certified, exceeds twice the aggregate principal amount of Bonds so certified to have been theretofore issued hereunder for the purpose of furnishing working capital; *provided*, however, anything in this Article Third to the contrary notwithstanding, that the aggregate principal amount of Bonds which may be issued under any of the provisions of this Agreement shall

never exceed the sum of Fifteen Million Dollars, less the aggregate principal amount of debenture bonds of controlled subsidiary companies issued pursuant to the provisions of Section 29 hereof, from time to time outstanding.

V. The Trustee shall be entitled to act and rely upon any copy of a resolution and upon any certificate, request, direction, order or other instrument, by any provision of this Section 22 required or provided to be delivered by the Company to the Trustee, when the same is, or on its face appears to be, certified, verified or executed in the manner herein provided; and the Trustee shall be fully protected in respect to any and all acts done or actions taken or suffered by it in reliance thereon.

ARTICLE FOURTH

PARTICULAR COVENANTS OF THE COMPANY

The Company covenants with the Trustee and with the respective holders of the Bonds, as follows:

SECTION 23. The Company will duly and punctually pay or cause to be paid the principal and interest of all the Bonds duly issued hereunder according to the terms thereof and of this Agreement, without deduction for any taxes, assessments or other governmental charges which the Company or the Trustee hereinafter named may be permitted or required to pay thereon or to retain or deduct therefrom under any present or future law of the United States of America or of any state, county, municipality or other political subdivision thereof, except inheritance taxes and so much of any federal income taxes in respect of income derived from such interest as shall be in excess of two per cent. thereof.

The Company will, in each year, refund and repay to the holder or owner of any Bond or Bonds issued hereunder, if such Bond or Bonds so provide, the amount of any lawful tax thereon paid by him in and for such year to the Commonwealth of Pennsylvania, not exceeding $\frac{4}{10}$ ths of one per cent. of the principal amount thereof, upon presentation to the Company of receipts or other evidence satisfactory to it of the payment of such tax, within four months after the payment thereof.

SECTION 24. So long as any of the Bonds remain outstanding and unpaid, the Company will at all times keep an office or agency in the Borough of Manhattan, City and State of New York, where notices and demands in respect of such Bonds and of this Agreement may be served, and will, from time to time, give notice to the Trustee of the location of such office or agency; and, in case the Company shall fail so to do, notices may be served and demands may be made at the principal office of the Trustee in the Borough of Manhattan, City and State of New York. The Company will at all times keep or cause to be kept at the said principal office of the Trustee, books in which the ownership or transfer of any Bonds may be registered, upon the presentation thereof for such purpose, as provided in Article First hereof.

SECTION 25. So long as any of the Bonds remain outstanding and unpaid, the Company will not directly or indirectly extend or assent to the extension of the time for the payment of any interest coupon or claim for interest of or upon any Bond, and it will not directly or indirectly be a party to any arrangement therefor, either by purchasing or refunding or in any manner keeping alive such interest coupon or claim for interest, or otherwise. In case the payment of any such interest coupon or claim

for interest shall be so extended by or with or without the consent of the Company, then, anything in this Agreement contained to the contrary notwithstanding, such interest coupon or claim for interest so extended shall not be entitled, in case of default hereunder, to any benefit of or from this Agreement, except after the prior payment in full of the principal of all the Bonds issued hereunder and of all such interest coupons and claims for interest as shall not have been so extended.

SECTION 26. So long as any of the Bonds remain outstanding and unpaid, the Company and each of its controlled subsidiary companies (as herein defined) will maintain, preserve and keep all its and their property, building, refineries, plants, machinery, apparatus, furnishings, equipment and fixtures in thorough repair and condition, and will, from time to time, make all needful and proper repairs thereto and replacements thereof; and the Company will promptly pay and discharge, or cause to be paid and discharged, any and all lawful taxes, rates, levies, assessments, liens, claims or other charges whatsoever upon its property and the properties of its controlled subsidiary companies, and every part thereof, and upon the income derived from its and their operations; *provided*, that neither the Company nor any controlled subsidiary company shall be required to pay or discharge any tax, rate, levy, assessment, lien, claim or other charge, so long as it shall in good faith and by appropriate legal proceedings contest the validity thereof.

SECTION 27. So long as any of the Bonds remain outstanding and unpaid, the Company and each of its controlled subsidiary companies will keep all its and their properties, buildings, refineries, plants, equipment, ma-

chinery, apparatus, furnishings and fixtures insured in good and responsible insurance companies against fire, explosion and every other loss or damage, the risk of which is customarily insured against by first-class corporations engaged in a similar business, and in the same manner and to the same extent. The Company will furnish or cause to be furnished to the Trustee, whenever requested by it, and at least once in each year, a full list of the companies issuing policies of insurance on the said properties, setting forth the character and amount of each policy.

In case of loss or damage to any of the properties of the Company or of any controlled subsidiary company, whereby the sum of Five Thousand Dollars or more shall be collected or received under any policy or policies of insurance, all such insurance moneys, or an amount equivalent thereto, shall be applied either (a) in or toward the restoration and replacement of the property so lost or damaged, or (b) in or toward the acquisition of other property for the uses of the business of the company suffering such loss or damage, the title to which shall be vested in it, or (c) in or toward the construction of new buildings for such company, or (d) in or toward the purchase or construction of new machinery, equipment and fixtures, which shall be in addition to the plant of such company and not in substitution for old or worn-out machinery, equipment or fixtures, or (e), if not otherwise applied within six months after the collection or receipt thereof in or toward one or more of the foregoing objects, or set aside to be so applied, the said moneys, or the unexpended balance thereof, or an amount equivalent thereto, shall be paid over to the firm of Lee, Higginson & Company, and shall be applied by it to the redemption of Bonds in the manner hereinafter provided in Article Sixth hereof.

SECTION 28. So long as any of the Bonds remain outstanding and unpaid, the Company will not execute any mortgage upon or make any pledge of any of its properties or assets, nor suffer or permit any controlled subsidiary company to execute any mortgage upon or make any pledge of any of the properties or assets of such controlled subsidiary company, except as provided in this Agreement; and it will not make, issue or negotiate any issue of bonds, notes or other funded obligations other than Bonds of this issue; *provided*, that nothing herein contained shall apply to any notes, debts, obligations, liabilities or contracts made, incurred or contracted by the Company in the ordinary course of conducting its business and maturing within one year from the date hereof.

SECTION 29. So long as any of the Bonds remain outstanding and unpaid, the Company will not suffer or permit any controlled subsidiary company to incur or create any further funded indebtedness, except by the issue of the unsecured debenture bonds of such controlled subsidiary company, the payment of the principal and interest of which debenture bonds shall be guaranteed by the Company. No such debenture bonds shall be issued, except upon the following terms and conditions, and subject to the following restrictions:

I. No debenture bond shall mature earlier than January 1, 1931, nor bear interest at a rate higher than the highest rate borne by any Bond outstanding hereunder at the time of the issuance of such debenture bond.

II. Debenture bonds may be issued only (a) for the purpose of reimbursing the controlled subsidiary company issuing the same for, and (b) in principal

amounts not exceeding fifty per cent. of, actual and reasonable expenditures made by such controlled subsidiary company for the purchase, construction or acquisition after the date hereof of permanent extensions, enlargements or additions of or to its property for use in the operation or extension of its business, as to no part of which expenditures such controlled subsidiary company shall have received reimbursement, either directly or indirectly, through the issue of any Bonds under any of the provisions of this Agreement.

III. The total aggregate principal amount of debenture bonds issued pursuant to the terms of this Section 29 which may be outstanding at any time, shall never exceed the sum of Fifteen Million Dollars, less the aggregate principal amount of all Bonds theretofore issued under the terms of this Agreement, whether such Bonds shall then be outstanding or not.

IV. Whenever any controlled subsidiary company shall issue any debenture bond or bonds, the Company shall forthwith deliver to the Trustee a certificate, signed by its President or a Vice-President and its Treasurer or an Assistant Treasurer, verified by one of such officers, setting forth the form of the debenture bond or bonds so issued, and certifying that, in the issuance thereof, the Company has complied, and has caused such controlled subsidiary company to comply, with all the terms and conditions of this Section 29.

Nothing contained herein shall apply to any notes, debts, obligations, liabilities or contracts made, incurred or contracted by any controlled subsidiary company in the ordinary course of conducting its business and maturing within one year from the date thereof.

SECTION 30. At the time of the execution of this Agreement, the funded indebtedness of each controlled subsidiary company is as follows, respectively:

Potter Gas Company,	
General and Refunding Mortgage 6% Gold	
Bonds, due annually May 1, 1921, to 1923...	\$ 357,000
Potter Oil Company of California,	
First Mortgage 7% Serial Gold Bonds, due	
annually April 1, 1921, to 1930.....	1,000,000
Moncton Tramways, Electricity & Gas Com-	
pany,	
First Mortgage 6% Debentures, due annually	
January 19, 1921, to 1932.....	257,000
Southern Oil Company,	
First Mortgage 6% Serial Gold Bonds, due	
semi-annually June 30, 1921, to Decem-	
ber 31, 1922	105,000
Bigheart Producing & Refining Company,	
Five-year 7% Convertible Sinking Fund	
Gold Notes, due March 1, 1924.....	404,000
7% Equipment Trust Gold Certificates,	
Serial, due semi-annually April 1, 1921,	
to April 1, 1926	340,000
7% Car Trust Equipment Gold Notes of	
Bigheart Petroleum Refining Company,	
Serial, due semi-annually July 1, 1921, to	
January 1, 1924.....	90,000
One Year 8% Gold Notes, due July 1, 1921	136,500
Three-Year 7% Notes of Amalgamated	
Petroleum Corporation, due July 1, 1922.	250,000

SECTION 31. Except as herein otherwise provided or permitted, either expressly or by implication, the Com-

pany, so long as any of the Bonds remain outstanding and unpaid, will at all times do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence, rights and franchises and the corporate existence, rights and franchises of each controlled subsidiary company; and the Company will comply, and will cause each controlled subsidiary company to comply, with all the laws of the State of Delaware and of the Commonwealth of Pennsylvania and of any other state or states of the United States of America applicable to the Company or to any controlled subsidiary company, in such form and manner as counsel may advise; and it will not do, suffer or permit any matter, act or thing whatsoever, whereby the payment of the indebtedness evidenced by the Bonds might or would be hindered, delayed or imperiled.

SECTION 32. So long as any of the Bonds remain outstanding and unpaid, the Company will at all times maintain its aggregate net assets (as herein defined) at an amount at least equal to three times its aggregate funded indebtedness (as herein defined).

SECTION 33. So long as any of the Bonds remain outstanding and unpaid, the Company will at all times maintain its current assets (as herein defined), and will cause its controlled subsidiary companies to maintain their current assets over all its and their current liabilities (as herein defined), at an aggregate amount equal to at least 125 per cent. of the aggregate principal amount of its and their current liabilities.

SECTION 34. So long as any of the Bonds remain outstanding and unpaid, the Company will not declare or pay any stock dividend except out of surplus earned subsequently to December 31, 1920, or except in pur-

suance of some lawful plan of consolidation or merger approved by the firm of Lee, Higginson & Company.

SECTION 35. So long as any of the Bonds remain outstanding and unpaid, the Company will not sell, and will not suffer or permit any of its controlled subsidiary Companies to sell, any part of its or their property or securities of a total aggregate value in excess of \$500,000 in any one year, except with the prior written consent and approval of the firm of Lee, Higginson & Company; and in case of any such sale, the Company will apply, or cause to be applied, the proceeds thereof, or an amount equivalent thereto, to the redemption of Bonds of this issue in the manner herein provided in Article Sixth hereof, or to the purchase or acquisition of other properties or securities of a value and character approved by the said firm of Lee, Higginson & Company; *provided*, that in case of the sale of properties or securities of a controlled subsidiary company, the amount to be so applied need not be greater than that proportion of the net proceeds of such sale, remaining after making necessary provision for the direct obligation of such subsidiary company, as the aggregate amount of capital stock of such subsidiary company owned or controlled by the Company shall bear to the total aggregate amount of its capital stock outstanding at the time of such sale.

SECTION 36. So long as any of the Bonds remain outstanding and unpaid, the Company will not suffer or permit any controlled subsidiary company to issue any shares of preferred capital stock in addition to the shares, if any, now outstanding. In case any controlled subsidiary company shall issue any additional shares of common capital stock, the Company will forthwith acquire free from any lien or pledge, the same proportion of such additional stock, as it owned or controlled prior to the

issue of such additional shares, unless the said firm of Lee, Higginson & Company shall otherwise agree.

SECTION 37. Anything herein contained to the contrary notwithstanding, at least ten days before any instalment or payment of interest, principal or Sinking Fund moneys shall become due, according to any of the terms of this Agreement, the Company will pay over to and deposit with the firm of Lee, Higginson & Company a sum in cash sufficient to pay the same in full.

SECTION 38. Within ninety days after the close of each fiscal year, the Company will cause to be prepared an itemized consolidated statement of its income account for such year and a consolidated balance sheet taken at the close thereof, certified by its President or a Vice-President and its Treasurer or Assistant Treasurer, and audited by a public accountant, approved by the firm of Lee, Higginson & Company, setting forth the financial condition of the Company and its controlled subsidiary companies for such year, and will furnish to the Trustee and the firm of Lee, Higginson & Company copies of such statement, balance sheet and audit. The Trustee shall permit holders of Bonds to inspect the statement, balance sheet and audit on file with it.

ARTICLE FIFTH

CONVERSION OF PRINCIPAL OF BONDS INTO CLASS B COMMON CAPITAL STOCK

SECTION 39. Any holder of Bonds of any series shall have the right and privilege, to be exercised in the manner and subject to the terms and provisions of this Article Fifth, to convert the principal of the same, prior to the maturity or redemption of the Bonds, or, in the case of Registered Bonds, any part of the principal thereof as

shall be a multiple of \$1000, into shares of the par value of Twenty-five Dollars each, of the Class B common capital stock of the Company, as the same shall be constituted at the time of such conversion, at such rate as shall be determined by the Board of Directors of the Company at the time of authorizing the original issue of Bonds of such series; *provided*, that such holder shall have given written notice to the Trustee of his election so to convert the principal of such Bond or Bonds (stating in such notice, the respective serial numbers thereof), at least ten days prior to the date specified in such notice for such conversion, and, at the time of giving such notice, shall have surrendered to the Trustee at its principal office in the Borough of Manhattan, City and State of New York, the Bond or Bonds specified in the said notice, with (in the case of Coupon Bonds) all interest coupons maturing subsequently to the said date of conversion, so specified, and (in the case of Registered Bonds or of Coupon Bonds which shall at the time be registered as to principal) accompanied by duly executed assignments or transfer powers; and thereupon, the Trustee shall, on the date specified in such notice, deliver or cause to be delivered to such holder, or to his nominees, stock certificates representing the number of shares of Class B common capital stock of the Company into which the principal of the Bonds so surrendered shall be convertible at the rates respectively applying to such Bonds, determined as above provided; *provided*, that the Trustee shall be bound to make such delivery only from stock certificates furnished to it by the Company for the purpose. In case of the conversion of a part only of the principal of any Registered Bond, the Company will, at the time of the delivery of such stock certificates, issue and cause to be authenticated and delivered to such holder a new Registered Bond or

Bonds for the remainder of such principal not so converted.

At the time of the execution of this Agreement, the Company has furnished to the Trustee, to be held by it solely for conversion purposes, certificates representing two hundred thousand shares, of the par value of Twenty-five Dollars each, of its Class B common capital stock; and, from time to time hereafter, the Company will furnish the Trustee with certificates representing such additional shares of the said stock as may be required for the conversion of the principal of any additional Bonds issued hereunder. The Company covenants and agrees that it will, from time to time, as required to effect any such conversion, duly transfer, or cause to be transferred, any stock certificates furnished or to be furnished by it to the Trustee hereunder, and will cause new certificates for the proper number of shares to be inscribed in the respective names of the holders or registered owners of the Bonds so surrendered for the purpose of conversion, or in such names as may be directed by such holders or registered owners, and that it will pay the amount of any and all United States Internal Revenue stock transfer stamp taxes and any and all stock transfer stamp taxes of the State of New York, which may be payable in respect to the transfer or delivery of any such stock, and that it will provide such stamps therefor as may be required by law. Whenever, by reason of the redemption of Bonds or otherwise, the number of shares of stock delivered to the Trustee to provide for the conversion of the principal of outstanding Bonds shall be in excess of the total number of shares required for the purpose of such conversion, the Trustee shall return the stock certificates representing such excess to the Company, upon its written request therefor.

SECTION 40. If at the rate of conversion applying to any series of Bonds, the aggregate amount of principal of any Bond or Bonds of such series presented at any time for the purpose of conversion shall not be evenly convertible into whole shares of stock, the Company will pay to the holder of such Bond or Bonds, at the time of the delivery of the stock certificates, a sum, in cash, equal to the balance of principal thereof not so convertible.

SECTION 41. At the time of the conversion of the principal of any Bond into the stock of the Company, as provided in Section 39 hereof, a cash adjustment shall be made between the Company and the holder of the Bonds so surrendered, in respect to the accrued interest on such Bonds, and any dividends accruing on the shares of stock represented by the certificates delivered upon such conversion, as follows:

The Company shall, at the time of the delivery of such certificates, pay, or cause to be paid, to the holder of any such Bond so surrendered, interest not previously paid thereon at the rate provided therein, to the date of the delivery of the certificates, and also, in case such delivery shall occur after the date of the declaration, but before the date of payment of a regular dividend upon the outstanding Class B common capital stock of the Company, in which dividend the shares of stock represented by such certificates would not be entitled to participate, an additional amount which, at the current rate of dividends upon the said common capital stock of the Company, will equal the dividend accruing upon the shares represented by the stock certificates so delivered from the date of the delivery thereof to the date of the payment of such dividend; and, except where such delivery shall occur between the dates aforesaid, the holder of any Bond so surrendered for conversion purposes shall, at the same time, pay to the

Company or to the Trustee, for the account of the Company, an amount which, at the current rate of dividends upon the Company's said common capital stock, will equal the dividend accrued upon the shares of stock delivered upon such conversion from the date upon which the last dividend upon the said common stock of the Company was paid to the date of the delivery of the certificates representing the same.

The term, "current rate", as used in this Section 41 in reference to dividends, shall mean the rate of the last regular dividend, from time to time, declared by the Company upon its Class B common capital stock, excluding stock dividends, extra cash dividends and other extraordinary dividends of any character.

The term, "accrued" or "accruing", whenever used in this Section 41 in reference to dividends, shall mean that proportion of the dividends payable at the current rate as the number of days intervening between the dates mentioned in the context to such reference bears to the number of days between the last two dates on which regular dividends on the common stock were paid, or would have been payable, if earned, in accordance with the usual policy of the Company.

SECTION 42. The right to convert into Class B common capital stock the principal of any Bonds called for redemption, as provided in Section 45 or Section 46 hereof, shall expire at the close of business on the tenth day preceding the date of redemption specified in such notice, unless written notice of election to convert the principal of such Bonds shall have been given to the Trustee, and the Bonds referred to in such notice of election

shall have been deposited with it for the purpose of such conversion on or before such tenth preceding day.

SECTION 43. Nothing contained in this Agreement or in any of the Bonds shall be construed to confer upon the holder of any Bond, as such, any of the rights of a stockholder in the Company before he shall have actually become such stockholder by converting the principal of such Bond into the said common capital stock of the Company, as herein provided; and no holder of any Bond shall have any right to question the issue by the Company, for cash or property, of any additional or increased capital stock of the Company, of any class, or securities of the Company, of any kind.

ARTICLE SIXTH

SINKING FUND AND REDEMPTION OF BONDS

SECTION 44. As and for a Sinking Fund for the retirement of Bonds issued hereunder, the Company will pay over to and deposit with the firm of Lee, Higginson & Company on November 1, 1921, a sum in cash at least equal to twenty-five per cent. of the net income (as hereinafter defined) of the Company for its preceding fiscal year, and, in any event, a sum in cash at least equal to ten per cent. of the aggregate principal amount of Bonds then outstanding hereunder; and, thereafter, the Company will pay over to and deposit with the said firm, semi-annually on May 1 and November 1, in each year, as and for such Sinking Fund, a sum in cash at least equal to twelve and one-half per cent. of the net income of the Company for the fiscal year next preceding the date of such payment, and, in any event, a sum in cash at least equal to the aggregate principal amount of Bonds outstanding at the time of such payment, divided by a sum

equal to the difference between 19 and the number of Sinking Fund payments theretofore made; *provided*, that, at the option of the Company, the amount of the principal of any or all Bonds which shall have been converted into the Class B common capital stock of the Company, as provided in Article Fifth hereof, or in any agreement supplemental hereto, during any fiscal year, may be credited towards any Sinking Fund payment or payments made during such fiscal year, but not thereafter. A certificate by the Trustee, duly signed by one of its officers, shall be sufficient evidence of the principal amount of Bonds so converted during any period covered by such certificate.

The term, "net income", as used in this Section 44, shall mean the balance of the total income of the Company, available for dividends, remaining after deducting from the gross income thereof, all operating expenses, including taxes of every kind, rentals, insurance, reasonable and adequate expenditures or charges for drilling and for current maintenance, repairs, depletion and depreciation, and all sums paid or payable on account of interest accrued on borrowed money, including interest on the Bonds issued hereunder.

So far as practicable, the said firm of Lee, Higginson & Company shall apply all moneys paid for the account of the Sinking Fund and deposited with it under the provisions of this Section 44, as the same are from time to time received, to the purchase of Bonds secured hereby (irrespective of series) at prices not exceeding, in any case, the respective current redemption prices of such Bonds, and accrued interest to the date of purchase.

SECTION 45. If, prior to thirty-five days before any semi-annual interest date, the said firm of Lee, Higginson & Company shall have been unable to apply to the purchase of Bonds, as aforesaid, all or substantially all of the Sinking Fund moneys then in its possession available therefor, and the moneys so unapplied shall amount to the sum of Five Thousand Dollars, or more, or if, at any time, the Company shall pay over to the said firm any insurance moneys, pursuant to the provisions of Section 27 hereof, the said firm shall draw by lot from the serial numbers of Coupon Bonds then outstanding or reserved against outstanding Registered Bonds, for redemption on the next succeeding interest date, a principal amount of Bonds sufficient to absorb such moneys, as nearly as may be; and shall thereupon publish in two daily newspapers of general circulation in the Borough of Manhattan, in the City and State of New York, once a week for four successive weeks, the first publication to be not less than thirty days before such redemption date, notice of such intended redemption, specifying the date and the series and serial numbers of the Bonds to be redeemed, and requiring that the same be then surrendered at the office of the said firm in the Borough of Manhattan, City and State of New York, or, at the option of the respective holders of the said Bonds, at the office of the said firm either in the City of Boston, Massachusetts, or in the City of Chicago, Illinois, for redemption at the respective current redemption prices thereof and accrued interest; *provided*, that if any of the Coupon Bond serial numbers, so drawn, shall be the serial numbers of Coupon Bonds then reserved against outstanding Registered Bonds, such notice shall specify the respective serial numbers of such Registered Bonds, and not the serial numbers of such reserved Coupon Bonds. If the serial numbers of all the Coupon

Bonds reserved against any given Registered Bond shall not have been drawn, so that less than the whole principal amount of any such Registered Bond shall be redeemable, the said notice shall also specifically state the portion of the principal amount thereof which is to be redeemed and that, upon the presentation of such Registered Bond for redemption, there will be issued in lieu of the unredeemed portion of the principal amount thereof, a new Registered Bond or Bonds of an aggregate principal amount equal to the largest multiple of \$1000 contained in such unredeemed portion and a Coupon Bond or Bonds for the remaining portion, if any. A similar notice shall also be mailed by the said firm to the respective registered owners of any Bonds called for redemption, at least thirty days prior to the redemption date, at their addresses appearing upon the registry books.

SECTION 46. The Company, at its option, may also redeem all or any of the Bonds issued hereunder, at any time, prior to maturity, at the respective current redemption prices applying to the Bonds of the several series, as determined by the Board of Directors at the time of authorizing the original issue of the Bonds of such series.

In case the Company shall desire so to redeem less than all the Bonds outstanding on the day on which it desires to make redemption, the Company shall notify the said firm of Lee, Higginson & Company, in writing, of the aggregate principal amount of Bonds which it desires to redeem, specifying the day (which shall not be less than forty days after such notification) on which it desires to make redemption. As soon as practicable thereafter, the said firm shall determine by lot the serial numbers of the Coupon Bonds (irrespective of series) to be redeemed and shall certify to the Company the serial numbers of the Bonds so determined. The Company

shall thereupon cause notice of redemption to be given by publication and mailing, in the same manner and form, as hereinbefore provided in Section 45 hereof.

In case the Company shall desire to redeem all the Bonds outstanding on the date on which it desires to make redemption, it shall give notice thereof in like manner by publication and mailing, except that the notice need not specify the serial numbers of the Bonds to be redeemed.

SECTION 47. Notice of redemption having been given by publication and mailing as provided in Sections 45 and 46 hereof, respectively, and upon the deposit with the said firm of Lee, Higginson & Company, on or before the redemption date specified in such notice, of an amount in cash sufficient to redeem, in full, the Bonds so called for redemption, the Bonds so called, or the specified portions thereof, shall, on the date designated in such notice, become due and payable at any one of the said offices of the said firm, at the option of the respective holders of the said Bonds, at the said redemption prices, respectively; and, upon the presentation and surrender thereof, with (in the case of Coupon Bonds) all interest coupons maturing subsequently to the said redemption date, and (in the case of Registered Bonds or of Coupon Bonds which shall at the time be registered as to principal) accompanied by duly executed assignments or transfer powers, such Bonds, or the specified portions thereof, shall be paid and redeemed at their respective current redemption prices and accrued interest. Upon the surrender of a Registered Bond of which only a portion of the principal amount is to be redeemed, the Company, without charge therefor, shall issue, and the Trustee, anything herein to the contrary notwithstanding, shall authenticate and deliver, in lieu of the unredeemed por-

tion of such principal amount, a new Registered Bond or Bonds of an aggregate principal amount equal to the largest multiple of \$1000 contained in such unredeemed portion and a Coupon Bond for the remaining portion, if any. After the date so fixed for redemption, the Bonds, or the portions of principal amount of any Registered Bonds, so called, shall cease to bear further interest; but all interest coupons pertaining to Coupon Bonds which shall have matured prior to the redemption date shall continue to be payable to the respective holders thereof, but without interest thereon.

SECTION 48. All Bonds purchased or redeemed, pursuant to any of the provisions of this Article Sixth and all Coupon Bonds whose serial numbers shall be drawn for redemption while reserved against outstanding Registered Bonds, shall forthwith be presented to and cancelled by the Trustee, which shall thereupon deliver the same to the Company, upon its written request therefor; and no new Bonds shall thereafter be issued in place thereof, except in respect to the unredeemed portions of Registered Bonds, as hereinbefore provided. All expenses of any character in connection with the administration of the Sinking Fund shall be borne and paid by the Company.

SECTION 49. Upon the written demand of the said firm of Lee, Higginson & Company, at any time, the Company will forthwith pay to the said firm, in cash, in addition to any Sinking Fund payment or any other sum or sums required to be paid by it under any of the provisions of this Article Sixth, any such further sum or sums as may be required to pay the premium and accrued interest on any Bond purchased or called for redemption pursuant to any of the provisions of this Article Sixth.

ARTICLE SEVENTH

REMEDIES IN CASE OF DEFAULT

SECTION 50. In case any one or more of the following events (hereinafter called "defaults") shall happen:

(a) Default in the payment of the principal of any of the Bonds, when due, whether at maturity or pursuant to notice of redemption or otherwise;

(b) Default in the payment of any instalment of interest on any of the Bonds, and such default shall continue for a period of thirty days;

(c) Default in the performance, or a violation, of any other covenant, condition or agreement on the part of the Company in any of the Bonds or in this Agreement contained, and such default shall continue for a period of thirty days after written notice thereof shall have been given to the Company by the Trustee, which may, in its discretion, give such notice, and shall do so upon the written request of the holders of twenty-five per cent. in amount of the Bonds then outstanding; or

(d) By decree of a court of competent jurisdiction, the Company shall be adjudicated a bankrupt, or by order of any such court a receiver of the property of the Company shall be appointed and such order shall have been continued in effect for a period of sixty days, or the Company shall file a voluntary petition in bankruptcy or shall make an assignment for the benefit of creditors;

then, in any such case, the Trustee, by written notice to the Company, may, and shall upon the written request of the holders of twenty-five per cent. in amount of the Bonds then outstanding, declare the principal of all the

Bonds then outstanding to be due and payable immediately; and, upon such declaration, the same shall become immediately due and payable, anything in this Agreement or in any of the Bonds contained to the contrary notwithstanding; *provided*, that if, at any time, either before or after the principal of the Bonds shall have been so declared due and payable, all arrears of interest upon all the Bonds, with interest on overdue instalments of interest at the rates specified in the respective Bonds, together with the reasonable charges and expenses of the Trustee, its agents and attorneys, shall have been paid by the Company and any and every other default by reason of the happening of which the principal of any of the Bonds may have been, or may be, declared due hereunder shall have been remedied and made good, then, in each such case, the holders of a majority in amount of the Bonds then outstanding, by written notice to the Company and to the Trustee, may waive such default and its consequences and rescind any such declaration; but no such waiver shall extend to or affect any subsequent default or impair any right consequent thereon.

SECTION 51. If default be made by the Company in the payment of the principal or interest of any of the Bonds, whether the same shall become due by declaration, notice of redemption or otherwise, then, in each such case, upon demand of the Trustee, the Company agrees to pay to the Trustee for the benefit of the holders of the Bonds and interest coupons then outstanding, the whole amount then due and payable on all such outstanding Bonds and interest coupons, with interest upon overdue instalments of interest at the rates specified in the respective Bonds, and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including a reasonable compensation to the Trustee, its

agents, attorneys and counsel, and any expenses or liabilities incurred by the Trustee hereunder; and in case the Company shall fail to pay the same forthwith upon demand, the Trustee, in its own name and as trustee of an express trust, shall be entitled to recover judgment against the Company for the whole amount thereof and to issue execution therefor against the whole or any part of the property of the Company, real or personal.

Any moneys collected by the Trustee under this Section 51 shall be applied by the Trustee as follows:

First. To the payment of the costs and expenses of collection, and a reasonable compensation to the Trustee, its agents, attorneys and counsel, and to the payment of all prior unpaid charges and expenses of the Trustee or its counsel, and all expenses and liabilities incurred or advanced, or disbursements made, by the Trustee;

Second. To the payment of the whole amount then due and unpaid either for principal or interest, or for both principal and interest, upon the Bonds, with interest on the overdue instalments of interest at the rates specified in the respective Bonds; and, in case such moneys shall be insufficient to pay in full the whole amount so due and unpaid, then to the payment of such principal and interest ratably, according to the aggregate of such principal and the accrued and unpaid interest, without preference or priority of principal over interest, or of interest over principal, or of any instalment of interest over any other instalment of interest, except as provided to the contrary in Section 25 hereof in regard to extended interest coupons or claims for interest;

Third. To the payment of the remainder, if any, to the Company, its successors or assigns, or to

whomsoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct.

SECTION 52. All remedies conferred by this Agreement shall be deemed cumulative and not exclusive, and shall not be so construed as to deprive the Trustee of any legal or equitable remedy by judicial proceedings appropriate to enforce the conditions, covenants and agreements of this Agreement.

No delay or omission by the Trustee, or by any holder of any Bond, to exercise any right or power arising from any default hereunder shall impair any such right or power, or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Agreement to the Trustee, or to the holders of the Bonds, may be exercised, from time to time, and as often as may be deemed expedient.

SECTION 53. In case the Trustee shall have proceeded to enforce any remedy or power under this Agreement, and such proceedings shall have been discontinued or abandoned, because of waiver or for any other reason, or shall have been determined adversely, then, in each and every such case, the Company and the Trustee and the respective holders of the Bonds shall be severally and respectively restored to their former positions and rights hereunder; and all rights, remedies and powers of the Trustee and of the respective holders of the Bonds shall continue as though no such proceedings had been taken. No waiver of any default, or its consequences, under any of the provisions of this Article Eighth shall extend to or affect any subsequent default, or impair any right consequent thereon.

SECTION 54. No holder of any Bond issued hereunder shall have the right to institute any suit, action or pro-

ceeding, at law or in equity, for the collection of any sum due from the Company on such Bond, for principal or interest, or upon or in respect of this Agreement, or for the execution of any trust or power hereof, or for any other remedy or right under or upon this Agreement (except for the conversion of the principal of any Bonds into stock, as hereinbefore provided), unless such holder shall previously have given to the Trustee written notice of an existing default, and unless, also, such holder or holders shall have tendered to the Trustee security and indemnity satisfactory to it against all costs, expenses and liabilities which might be incurred in or by reason of such action, suit or proceeding, and unless, also, the holders of twenty-five per cent. in amount of the Bonds then outstanding shall have requested the Trustee in writing to take action in respect of such default and the Trustee shall have declined or failed to take such action within thirty days thereafter; it being intended that no one or more holders of Bonds shall have any right in any manner to enforce any right hereunder, or under or in respect of any of the Bonds (except for the conversion into stock of the principal of any Bonds), except in the manner herein provided, and for the equal, proportionate benefit of all holders of the outstanding Bonds.

ARTICLE EIGHTH

SUCCESSOR CORPORATIONS

SECTION 55. Nothing contained in this Agreement or in any Bond issued hereunder shall prevent any lawful consolidation or merger of the Company with or into any other corporation or corporations, or a series of consolidations or mergers in which the Company or its successor or successors shall be a party or parties, or any sale of all or the greater part of the properties of the Company to

a corporation authorized to acquire the same; *provided*, that prior to such consolidation, merger or sale, the Company shall either (a) redeem all the Bonds then outstanding hereunder, in the manner provided in Article Fifth hereof, or (b) cause the Bonds issued hereunder to be secured by a closed first mortgage and pledge on and of the properties so transferred to or vesting in such successor corporation, which successor corporation, as part of the consideration for such transfer, shall assume, in writing, the due and punctual payment of the principal and interest of all of the Bonds then outstanding hereunder, according to their tenor, and the due and punctual performance and observance of all the covenants and conditions of this Agreement.

Unless all the Bonds at the time outstanding hereunder shall first be redeemed, as above provided, no such consolidation, merger or sale shall be effected unless, prior thereto, the Company shall file with the Trustee an instrument in form satisfactory to it, duly signed and acknowledged on behalf of the firm of Lee, Higginson & Company, consenting to such consolidation, merger or sale and approving the terms thereof.

SECTION 56. If, on any such consolidation or merger, the holders of Class B common capital stock of the Company shall become entitled to receive for their shares any greater or less number of shares of the corporation formed by such consolidation or merger, then the number of shares of the corporation formed by such consolidation or merger, which the holders of the Bonds issued hereunder, then outstanding, shall be entitled to receive upon the conversion of the principal of any such Bonds, shall be proportionately increased or decreased, anything herein contained to the contrary notwithstanding; so that, for example, if the holders of Class B common capital stock

of the Company, on any such consolidation or merger, shall become entitled to receive two shares of common stock of the corporation formed by such consolidation or merger for each share of the said common capital stock of the Company held by them prior thereto, then the number of shares of common stock of the corporation formed by such consolidation or merger, which the holders of Bonds of Series A shall be entitled to receive, shall be two such shares for each Forty Dollars, principal amount, of Bonds.

SECTION 57. If any questions shall arise in case of any such consolidation or merger, in respect to the number of shares of the corporation formed by such consolidation or merger which the holders of any Bonds issued hereunder, then outstanding, should receive upon the conversion of the principal of any of such Bonds on such readjusted basis, all such questions shall be determined by the Trustee, whose determination shall be binding upon the Company and any such successor corporation and all holders of Bonds issued and outstanding hereunder. A certificate signed by the President or a Vice-President of the Company, together with a Resolution of its Board of Directors, certified by the Secretary or an Assistant Secretary of the Company under its corporate seal, setting forth in such detail as the Trustee may require any fact or facts concerning any such consolidation or merger, may be received by the Trustee as conclusive evidence of such fact or facts, and shall be full protection to the Trustee for any action taken or omitted by it in reliance thereon; but the Trustee may, in any instance, require such further evidence or make such further investigation as it may deem proper and, if it shall not be satisfied of the propriety of any action, may refuse in its discretion to take such action, or to allow it.

ARTICLE NINTH

SUNDRY PROVISIONS

SECTION 58. Any demand, request or other instrument required or provided by this Agreement to be signed and executed by the holders of any Bonds may be in any number of concurrent writings of similar tenor, and may be signed or executed by such holders in person, or by attorney appointed in writing. Proof of the execution of any such demand, request or other instrument, or of the writing appointing any such attorney and of the ownership by any person of any Bonds, shall be conclusive in favor of the Trustee and of the Company, with regard to due action taken by the Trustee or by the Company, pursuant to such instrument, if such proof be made in the following manner:

The fact and date of the execution by any person of any such demand, request or other instrument or writing may be proved by the certificate of any notary public or any officer of any jurisdiction authorized by the laws thereof to take acknowledgments of deeds to be recorded in any State within the United States of America, certifying that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness to such execution duly sworn to before any such notary public or other officer.

The fact of the ownership of any Coupon Bonds which shall not at the time be registered as to principal and the amounts, series and serial numbers of such Bonds and the date of holding the same, may be proved by a certificate executed by any trust company, bank, banker or other depositary (wherever situated), if such certificate shall be deemed by the

Trustee to be satisfactory, showing that at the date therein mentioned the person named in such certificate had on deposit with such depositary the Bonds described in such certificate; but the Trustee, in its discretion, may require such other and further proof of such ownership as, being advised by counsel, it shall deem advisable. For all purposes of this Agreement and of any proceeding pursuant hereto for the enforcement hereof or otherwise, such person shall be deemed to continue to be the owner of such Bonds until the Trustee shall have received notice in writing to the contrary. The ownership of any Registered Bonds and of any Coupon Bonds which shall at the time be registered as to principal shall be proved by the register thereof.

SECTION 59. As to all Coupon Bonds which shall at the time be registered as to principal and as to all Registered Bonds, the person in whose name the same shall be registered on the books of the Company shall for all purposes of this Agreement be deemed and regarded as the owner thereof, and payment of or on account of the principal of any such Coupon Bond so registered as to principal, and of or on account of the principal or interest of any such Registered Bond, shall be made only to or upon the order of such registered holder. Such payment shall be valid and effectual to satisfy and discharge the liability of the Company upon such Bonds to the extent of the sum or sums so paid.

The holder of any Coupon Bond which shall not at the time be registered as to principal, and the holder of any interest coupon pertaining to any Coupon Bond, whether such Coupon Bond be registered as to principal or not, shall, for all purposes of this Agreement, be treated as the absolute owner of such Bond or interest

coupon; and neither the Company nor the Trustee shall be affected by any notice to the contrary.

SECTION 60. No recourse shall be had for the payment of any part of either principal or interest of any Bond, or for any claim based thereon or otherwise in any manner in respect thereof or in respect of this Agreement, to or against any incorporator, stockholder, officer or director of the Company, past, present or future, or to or against the legal representatives or assigns of any such incorporator, stockholder, officer or director, either directly or through the Company, by virtue of any statute or provision or rule of law, or by the enforcement of any assessment or penalty, or in any manner.

SECTION 61. All the covenants, stipulations and agreements in this Agreement contained, by or on behalf of the Company, are and shall be for the sole and exclusive benefit of the parties hereto and of the respective holders and owners of the Bonds and interest coupons issued hereunder, and shall bind and apply to the successors and assigns of the Company, whether so expressed or not. Whenever, in this Agreement, any of the parties hereto is referred to, such reference shall be deemed to include the successor or successors and assigns of such party; and all covenants, promises and agreements in this Agreement contained by or on behalf of the Company, or by or on behalf of the Trustee, shall bind and inure to the benefit of the respective successors and assigns of such party, whether so expressed or not.

Whenever, in this Agreement, the firm of Lee, Higginson & Company is referred to, such reference shall be deemed to include the firm of Lee, Higginson & Company, a co-partnership, now engaged in business at No. 43 Exchange Place, Borough of Manhattan, City and State of

New York, and in the City of Boston, Massachusetts, and elsewhere, and the successor or successors and assigns of such firm, and the persons from time to time constituting the same.

ARTICLE TENTH

CONCERNING THE TRUSTEE

SECTION 62. The Trustee accepts the trusts of this Agreement and agrees to execute them upon the terms and conditions hereof, including the following, to all of which the Company and the holders of the Bonds agree:

The Trustee shall be under no obligation to see to the performance or observance of any of the covenants or agreements on the part of the Company.

The Trustee shall not be accountable in respect of the validity of this Agreement or of the Bonds, nor for the validity of any stock issued upon the conversion of the principal of any Bond; and it makes no representation in respect thereof.

The Trustee shall not be responsible for any failure of the Company to issue, transfer or deliver any shares of stock or stock certificates upon the surrender of any Bonds for the purpose of conversion; and it assumes no duty or obligation with respect thereto.

The Trustee shall not be responsible in any manner for the operation of the Sinking Fund provided for in Article Sixth hereof, nor for any dealings of the Company or of the firm of Lee, Higginson & Company therewith, nor to see that Sinking Fund payments are made in accordance with the provisions of the said Article Sixth, nor in respect to any redemption provided for in the said Article; and it assumes no duty or obligation with respect thereto.

A certificate signed by any member of the firm of Lee, Higginson & Company, or by the President or a Vice-President and the Treasurer or an Assistant Treasurer of the Company, as to any facts in respect to the redemption or purchase of Bonds under Article Sixth of this Agreement, shall be full protection to the Trustee for any action on its part taken or omitted on the faith thereof.

The Trustee shall not be responsible for the recitals herein or in the Bonds contained, all of which are made by the Company, solely.

The Trustee shall be entitled to reasonable compensation for all services rendered hereunder, and such compensation, as well as all reasonable expenses necessarily incurred and actually disbursed hereunder, the Company agrees to pay.

Until the Trustee shall have received written notice to the contrary from the holders of not less than twenty-five per cent. in amount of the Bonds then outstanding, the Trustee may, for all the purposes of this Agreement, assume that no default has been made in the payment of any of the Bonds or of the interest thereon, or in the observance or performance of any other of the covenants contained in the Bonds or in this Agreement, and that the Company is not in default under this Agreement.

The Trustee shall not be under any obligation to take any action hereunder, which in its opinion will be likely to involve it in expense or liability, unless one or more holders of Bonds shall, as often as required by the Trustee, furnish it security and indemnity satisfactory to it against such expense and liability; nor shall the Trustee be required to take any action in respect of any default hereunder unless requested by an instrument in writing signed by the holders of not less than twenty-five per cent. in amount of the Bonds then outstanding.

Any action taken by the Trustee at the request or with the consent of any person who at the time is the owner of any Bond shall be conclusive and binding upon all future holders of such Bond.

The Trustee shall not be answerable for the default or misconduct of any agent or attorney appointed by it in pursuance hereof, if such agent or attorney shall have been selected with reasonable care, nor for any error of judgment, nor for any act done or omitted by it in good faith, nor for any mistake of fact or of law, nor for anything whatever in connection with this Agreement, except for its own wilful misconduct.

The Trustee may advise with legal counsel; and any action under this Agreement, taken or suffered in good faith by the Trustee in accordance with the opinion of counsel, shall be conclusive on the Company and on all holders of Bonds, and the Trustee shall be fully protected in respect thereto.

The Trustee shall be protected in acting upon any notice, request, waiver, consent, certificate, affidavit, indemnity bond or other instrument believed by it to be genuine and to be signed by the proper party or parties.

The Trustee, in its individual capacity, may acquire and hold any Bonds issued hereunder with the same right and to the same extent as if it were not such Trustee.

All moneys coming into the hands of the Trustee may be treated by it, until such time as it is required to pay out the same, as a general deposit, and the interest, if any, paid thereon shall be at such rate as the Trustee allows on similar deposits.

All rights of action under this Agreement may be enforced by the Trustee without the possession of any Bonds or the production thereof on the trial or other proceedings relative thereto.

SECTION 63. The Trustee or any successor may resign as trustee hereunder by filing with the Company an instrument in writing, resigning the trusts hereby created, two weeks (or such shorter time as may be accepted by the Company as adequate) before such resignation shall take effect.

Any trustee hereunder may be removed at any time by an instrument in writing filed with the trustee for the time being acting hereunder and executed by the holders of two-thirds in aggregate principal amount of the Bonds then outstanding; *provided*, there be paid to the trustee so removed all moneys due to it hereunder.

SECTION 64. In case, at any time, any trustee acting hereunder shall resign or shall be removed or otherwise shall become incapable of acting, a successor may be appointed by the holders of a majority in aggregate principal amount of the Bonds then outstanding by an instrument signed by such holders or their attorneys in fact duly authorized; but until a new trustee shall be so appointed hereunder, the Company may, by an instrument in writing, executed by order of its Board of Trustees, appoint a trustee to fill such vacancy. Any new trustee so appointed by the Company shall immediately be superseded by a trustee appointed in the manner above provided by the holders of a majority in aggregate principal amount of the Bonds.

Any trustee appointed under any of the provisions of this Article shall always be a national banking association, bank or trust company having an office in the Borough of Manhattan, City of New York, and having a capital and surplus aggregating at least One Million Dollars, if there shall be such a banking association, bank or trust company willing and able to accept the trusts upon reasonable or customary terms.

SECTION 65. Any successor trustee appointed hereunder shall execute and deliver to the Company and to the retiring trustee an instrument accepting such appointment hereunder, and thereupon such successor trustee shall be invested with the same authority, rights, powers and duties herein provided for the trustee; but the trustee so resigning or removed, shall, at the request of the Company, or of the successor trustee so appointed, and upon payment of its charges and disbursements then unpaid, make and execute such deeds, conveyances, assignments or assurances to its successor as its successor may reasonably require, and shall deliver to such successor all cash then in its possession hereunder.

IN WITNESS WHEREOF, the Company and the Trustee have caused this Agreement to be signed in their corporate names by their respective Presidents or Vice-Presidents, and their respective corporate seals to be hereto affixed, duly attested, as of the day and year first above written.

BARNSDALL CORPORATION,
By E. O. BARTLETT
Vice-President

(CORPORATE SEAL)

Attest:

JAS. A. DUNN
Secretary

GUARANTY TRUST COMPANY OF NEW YORK,
By F. J. H. SUTTON
Vice-President

(CORPORATE SEAL)

Attest:

J. I. BURKE
Assistant Secretary

STATE OF NEW YORK,}
County of New York,}

On the first day of February, 1921, before me personally came E. O. BARTLETT, to me known, who, being by me duly sworn, did depose and say, that he resides in Pelham, State of New York; that he is a Vice-President of the BARNSDALL CORPORATION, one of the corporations described in and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of the said corporation, and that he signed his name thereto by like authority.

JOHN A. LYON

(NOTARIAL SEAL)

Notary Public

Bronx Co. Clk's No. 64, Reg. N. 2157
N. Y. Co. Clk's No. 341, Reg. No. 1391
Commission expires March 30, 1921

STATE OF NEW YORK,}
County of New York,}

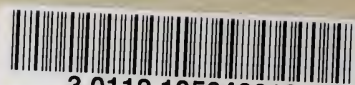
On the 1st day of February, 1921, before me personally came F. J. H. SUTTON, to me known, who, being by me duly sworn, did depose and say, that he resides in the City and State of New York; that he is a Vice-President of GUARANTY TRUST COMPANY OF NEW YORK, one of the corporations described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of the said corporation, and that he signed his name thereto by like authority.

JOHN A. LYON

(NOTARIAL SEAL)

Notary Public

Bronx Co. Clk's No. 64, Reg. N. 2157
N. Y. Co. Clk's No. 341, Reg. No. 1391
Commission expires March 30, 1921



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